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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 6, 2014

CERTIFIED RETURN RECEIPT 7012 3460 0002 9559 5802

Dana Beck
Beck/Beck Construction Company
P.O. Box 98
American Fork, Utah 84003

Subject: Review of Notice of Intention to Commence Small Mining Operations and Reclamation Surety, Beck/Beck Construction Company, Fox Canyon Mine, S/049/0080 Utah County, Utah

Dear Mr. Beck:

Response required by March 28, 2014.

The Division of Oil, Gas and Mining currently holds a cash reclamation surety in the amount of \$8000.00 for the Fox Canyon mine. The surety was posted in 2010, but, it needs to be adjusted to current costs.

Based on 2013 reclamation rates established by the Division, the surety amount for a 4-acre size disturbance needs to be increased from \$8,000 to \$25,000 for a three-year escalation or \$25,600.00 for a five-year escalation. The average reclamation costs are outlined below:

Small Mine Operation Bond Calculation Worksheet S/049/0080 3-year escalation (2016)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$9,400.00	\$9,400.00
Add'l Acres Disturbance	3	\$5,200.00	\$15,600.00
TOTAL			\$25,000.00

5-year escalation (2018)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$9,700.00	\$9,700.00
Add'l Acres Disturbance	3	\$5,300.00	\$15,900.00
TOTAL			\$25,600.00

Beck Construction Co.
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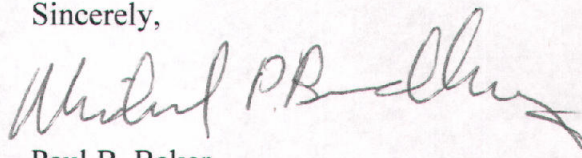
The Division notes in your annual report that you have reclaimed one acre of disturbance. The Division will inspect the site to verify the reclamation work. If it is determined that one acre has been adequately reclaimed, the required surety amount would then be reduced to \$19,800 (based on a 3-year escalation). As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming all or part of the site.

In a separate matter, the Division reviewed the Notice of Intention to Commence Small Mining Operations (NOI) and found that it does not contain an operations map. An operations map at a scale of about 1"=200 is a requirement for a complete NOI. The features included on this map should depict the areas disturbed, or to be disturbed, and the locations of any existing or proposed operations including access roads, drill holes, trenches, etc.

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional surety. Your current surety is in the form of cash on deposit through the Utah State Treasurer at Zions Bank. You may increase the amount of cash, or you may submit a letter of credit, a certificate of deposit, or a surety bond for either the increased or the total amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

Please provide the additional surety and the operations map by March 28, 2014.
Thank you for your assistance in keeping the surety and the NOI current. Please call April Abate at 801-538-5214 if you have questions concerning this letter, including the operations map or scheduling an inspection.

Sincerely,


for Paul B. Baker
Mining Program Manager

PBB: AA: eb
cc: peggyk@utahcounty.gov
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